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New Zealand

The United States and New Zealand work together closely in bilateral, regional, and global contexts to address common interests in the areas of defense, foreign affairs, and trade. Bilateral and multilateral military-to-military exercises involving the two countries, such as the 23 nation RIMPAC naval exercise, have increased in number since the signing of the Wellington Declaration of 2010 and the Washington Declaration of 2012. These declarations marked turning points in bilateral relations after differences over nuclear policy in the 1980s prompted the United States to suspend its alliance commitments to New Zealand (see below). The renewed strength of the bilateral relationship was also demonstrated by the November 2016 visit of the *USS Sampson*, the first U.S. warship visit to New Zealand in more than 30 years. This strengthening of the relationship has been building since New Zealand's commitment of military forces to Afghanistan in 2003. In the view of many observers, this return to close cooperation puts to rest past differences over nuclear policy.

Background

New Zealand and the United States have common historical roots as settler societies of the British Empire. New Zealand, also known to New Zealanders as Aotearoa or “the land of the long white cloud,” was first settled by the Polynesian-Maori people around the tenth century. Dutch navigator Abel Tasman discovered the western coast of New Zealand in 1642, but it was English Captain James Cook who, over three expeditions in 1769, 1773, and 1777, circumnavigated and mapped the islands. The 1840 Treaty of Waitangi, between the British Crown and indigenous Maori Chiefs, serves as the basis for relations between the Maori and European communities. The British Monarch, Queen Elizabeth II, is the constitutional head of state of New Zealand. Her representative, the Governor General, acts on the advice of the New Zealand Prime Minister's Cabinet. In 1893, New Zealand gave all women the right to vote. New Zealand attained Dominion Status in 1907 and gained full political independence from Britain under the Statute of Westminster Adoption Act of 1947.

New Zealand at a Glance

Government: A constitutional monarchy with approximately 120-seat unicameral parliament. Members are elected by popular vote in single member constituencies, including seven Maori seats, with additional proportional seats selected from party lists. Terms of office are three years.

Head of State: Queen Elizabeth II represented by Governor General Lt. Gen. Sir Jerry Matepare

Head of Government: Prime Minister Bill English

Natural resources: natural gas, iron ore, sand, coal, timber, hydropower, gold, limestone

Natural hazards: earthquakes

Terrain: Mountainous and plains [41% pasture, 31% forest].

Area: 270,000 sq. km., or about the size of Colorado

Capital: Wellington

Population: 4.5 million with 0.8% growth rate (2016)

Literacy: 99% with education expenditure 7.4% of GDP (2014)

Life expectancy at birth: 81.2 years (2016)

Ethnic groups: European 71%, Maori 14%, Asian 11%, Pacific Islander 8% (2013) [could identify with more than one group]

Livestock: Sheep 31.2 mill, cattle 10.2 mill, deer 1 mill (2012)

Export Commodities: Dairy products, meat, wood and wood products, fruit, oil, wine.

Major Export Markets: China 19.4%, Australia 17.1%, U.S. 11%, Japan 6.2%. (2016)

Per Capita GDP: \$39,605 ppp (2017 est.)

GDP/ Sector: Ag. 4.2%, industry 26.5%, services 69.2% (2016)

GDP growth: 3% est. (2017 est.)

Labor force: Agriculture 7%, industry 19%, services 74% (2016)

Sources: CIA *Factbook*, Economist Intelligence Unit, media.

Politics and Elections

New Zealand is a unicameral, mixed-member-proportional (MMP), parliamentary democracy. MMP was introduced in New Zealand in 1996. Under MMP, Members of Parliament come from both single-member electorates and from party lists leading to a parliament where a party's share of the seats roughly mirrors its share of the overall party vote. New Zealand does not have a state or provincial level of government. The center-right National Party, led by Prime Minister Bill English, and the opposition center-left Labour Party, led by Andrew Little, are the two main political parties in New Zealand. The National Party holds 59 of 121 seats in parliament. English became Prime Minister and Leader of the National Party after former National Party Prime Minister John Key resigned in December 2016. The National Government has the support of the Maori Party with two seats, the United Future Party with one seat, and the ACT New Zealand Party with one seat. The next election is to be held on September 23, 2017. The Labour Party and the Green Party signed a memorandum of

understanding in May 2016 to collaborate more closely in the lead-up to the election. Observers have noted that the New Zealand First Party, headed by Winston Peters, currently with 12 seats in parliament, may play a key role in forming the next government.

Defense and Foreign Policy

In part because New Zealand is a small nation, New Zealand officials place much emphasis on multilateral processes and institutions. They also place emphasis on developing trade ties, particularly with China, and regional economic architectures. Australia and the United States figure prominently in New Zealand's national security affairs. New Zealand's commitment of regular troops and other assistance in support of the Provincial Reconstruction Team in Bamiyan Province, Afghanistan, in 2003 demonstrated, according to some observers, New Zealand's value not only in political and diplomatic terms but also as a military partner in the field. New Zealand continues to demonstrate such support through its ongoing deployment of military trainers in Iraq. New Zealand troops, working alongside Australian troops, have trained approximately 21,000 Iraqi security forces.

Bilateral Relations with the United States

The gradual return of close security cooperation between the United States and New Zealand since 2003 has helped forge a new security partnership between the two countries. The two nations have fought together in many wars and conflicts and established the Australia-New Zealand-United States (ANZUS) alliance in 1951. During the mid-1980s the United States suspended its alliance commitments to New Zealand as a result of differences over nuclear policy, stemming from New Zealand legislation that made it nuclear free and the United States' policy of neither confirming nor denying the presence of nuclear weapons on U.S. Navy ships. The Wellington Declaration of 2010 was a key turning point in United States-New Zealand relations. After 2010, the United States and New Zealand agreed to emphasize common interests and values, including the importance of democracy, human rights, and the rule of law, rather than let differences over nuclear policy define the relationship. The Wellington Declaration established in a public way a new strategic partnership. It stated that "our shared democratic values and common interests" will guide the two nations' collective action. The agreement pointed to the need to address regional and global challenges including enhanced dialogue on regional security, practical cooperation in the Pacific, Foreign Ministers meetings, political-military discussions, and cooperation on climate change, nuclear proliferation, and international extremism. The 2012 Washington Declaration on Defense Cooperation further opened the way for enhanced strategic dialogue and defense cooperation. This positive momentum has been sustained by subsequent developments.

Regional Relations

New Zealand enjoys very close relations with Australia, its neighbor across the Tasman Sea. These trans-Tasman ties are based in the two nations' common origin as British colonies. These ties were strengthened as the two nations fought together in the Australian New Zealand Army Corp (ANZAC) in places like Gallipoli in World War I. This relationship evolved into what is known as the ANZAC spirit of close defense cooperation. The close economic, people-to-people, and cultural ties, as well as a shared love of rugby, cricket, and other sport, further reinforce bilateral relations between these two states.

New Zealand has played a key role in promoting peace, stability, development, and the environment in the South Pacific. It played a key role in promoting security in Timor-Leste, Bougainville, New Guinea, and the Solomon Islands. New Zealand is working with Australia and other nations in the South Pacific on the Pacific Agreement on Closer Economic Relations-Plus. New Zealand's aid program is investing ND \$1 billion in the Pacific region over the period 2015-2016 to 2017-2018. New Zealand also provides disaster assistance to the region as it did to Fiji following the February 2016 Cyclone Winston. New Zealand supports the Pacific Island's Forum and sustainable economic development, including for sustainable fisheries in the South Pacific. New Zealand has protested Japan's decision to resume whaling in the Southern Ocean, and has set aside 15% of New Zealand's Exclusive Economic Zone for the Kermadec Ocean Sanctuary. Former Prime Minister John Key pledged New Zealand's support for the Global Research Alliance on Agricultural Greenhouse Gases at the December 2015 U.N. Climate Change Conference in Paris. At that time, Key also pledged that New Zealand would strengthen its target of reducing greenhouse gas emissions to 30% below 2005 levels. Former Labour Prime Minister Helen Clark set a goal while Prime Minister in 2007 for New Zealand to become "truly sustainable."

Trade

New Zealand's economy is to a large extent dependent on primary commodities for export. New Zealand's exports include dairy, meat, forestry, wool, and fruit. New Zealand's key export partners are China (20.1%), Australia (11.9%), the United States (11.6%), and Japan (7.1%). Major U.S. imports from New Zealand include beef, wine, dairy products, and lamb and mutton. Major U.S. exports to New Zealand include civilian aircraft, refined petroleum, autos, and auto parts. New Zealand does not have an existing FTA with the United States. New Zealand joined with other Trans Pacific Partnership (TPP) Agreement members in an effort to move forward with TPP without the United States in the aftermath of President Trump's decision to withdraw the United States from the TPP.

Relations with China

Trade is at the core of New Zealand's relationship with China. New Zealand's goods exports to China quadrupled since the signing of a bilateral Free Trade Agreement between the two countries in 2008. New Zealand and China are now undertaking an upgrade of their FTA agreement. Chinese Premier Li Keqiang visited New Zealand in March 2017 reportedly to discuss strengthening trade through the FTA upgrade and the One Belt, One Road (OBOR) initiative. On March 27, 2017, New Zealand signed a memorandum of understanding with China on China's OBOR initiative. In 2015, New Zealand became a founding member of the China-led Asia Infrastructure Investment Bank (AIIB). With the implementation of the TPP in doubt, New Zealand's trade interests may be increasingly focused on the China-backed Regional Comprehensive Economic Partnership (RCEP).

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